

Fill in this information to identify your case:

United States Bankruptcy Court for the:

NORTHERN DISTRICT OF ILLINOIS

Case number (if known) Chapter 7

☐ Check if this an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

4/16

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name	Carhart, Inc.	
2. All other names debtor used in the last 8 years Include any assumed names, trade names and doing business as names		
3. Debtor's federal Employer Identification Number (EIN)	36-3393294	
4. Debtor's address	Principal place of business 3512 White Eagle Drive Naperville, IL 60564 Number, Street, City, State & ZIP Code Will County	Mailing address, if different from principal place of business P.O. Box, Number, Street, City, State & ZIP Code Location of principal assets, if different from principal place of business Number, Street, City, State & ZIP Code
5. Debtor's website (URL)		
6. Type of debtor	<input checked="" type="checkbox"/> Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP)) <input type="checkbox"/> Partnership (excluding LLP) <input type="checkbox"/> Other. Specify:	

Debtor **Carhart, Inc.** Case number (if known) _____
Name

7. Describe debtor's business A. *Check one:*

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. *Check all that apply*

- ☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor.
 See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

8. Under which chapter of the Bankruptcy Code is the debtor filing? *Check one:*

- ☒ Chapter 7
☐ Chapter 9
☐ Chapter 11. *Check all that apply:*
☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,566,050 (amount subject to adjustment on 4/01/19 and every 3 years after that).
☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
☐ A plan is being filed with this petition.
☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.
☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years? ☒ No.
☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor? ☒ No.
☐ Yes.

List all cases. If more than 1, attach a separate list

Debtor	_____	Relationship	_____
District	_____	When	_____
		Case number, if known	_____

Debtor **Carhart, Inc.**
Name

Case number (if known)

11. Why is the case filed in this district?

Check all that apply:

- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No

☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard?

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other

Where is the property?

Number, Street, City, State & ZIP Code

Is the property insured?

☐ No

☐ Yes. Insurance agency

Contact name

Phone

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

☐ Funds will be available for distribution to unsecured creditors.

☒ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors

☒ 1-49

☐ 50-99

☐ 100-199

☐ 200-999

☐ 1,000-5,000

☐ 5001-10,000

☐ 10,001-25,000

☐ 25,001-50,000

☐ 50,001-100,000

☐ More than 100,000

15. Estimated Assets

☒ \$0 - \$50,000

☐ \$50,001 - \$100,000

☐ \$100,001 - \$500,000

☐ \$500,001 - \$1 million

☐ \$1,000,001 - \$10 million

☐ \$10,000,001 - \$50 million

☐ \$50,000,001 - \$100 million

☐ \$100,000,001 - \$500 million

☐ \$500,000,001 - \$1 billion

☐ \$1,000,000,001 - \$10 billion

☐ \$10,000,000,001 - \$50 billion

☐ More than \$50 billion

16. Estimated liabilities

☐ \$0 - \$50,000

☐ \$50,001 - \$100,000

☐ \$100,001 - \$500,000

☐ \$500,001 - \$1 million

☒ \$1,000,001 - \$10 million

☐ \$10,000,001 - \$50 million

☐ \$50,000,001 - \$100 million

☐ \$100,000,001 - \$500 million

☐ \$500,000,001 - \$1 billion

☐ \$1,000,000,001 - \$10 billion

☐ \$10,000,000,001 - \$50 billion

☐ More than \$50 billion

Debtor **Carhart, Inc.**
Name

Case number (if known)

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

**17. Declaration and signature
of authorized
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **August 1, 2016**
MM / DD / YYYY

X /s/ Chris E. Carhart
Signature of authorized representative of debtor

Title **President**

Chris E. Carhart
Printed name

18. Signature of attorney

X /s/ John S. Biallas
Signature of attorney for debtor

Date **August 1, 2016**
MM / DD / YYYY

John S. Biallas
Printed name

John S. Biallas, Attorney At Law
Firm name

3N918 Sunrise lane
St. Charles, IL 60174
Number, Street, City, State & ZIP Code

Contact phone **630-513-7878** Email address **jsb70@comcast.net**

00203890
Bar number and State

Fill in this information to identify the case:

Debtor name Carhart, Inc.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF ILLINOIS

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals

12/15

Part 1: Summary of Assets

1. **Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. **Real property:**
 Copy line 88 from *Schedule A/B*..... \$ **0.00**

1b. **Total personal property:**
 Copy line 91A from *Schedule A/B*..... \$ **0.00**

1c. **Total of all property:**
 Copy line 92 from *Schedule A/B*..... \$ **0.00**

Part 2: Summary of Liabilities

2. **Schedule D: Creditors Who Have Claims Secured by Property** (Official Form 206D)
 Copy the total dollar amount listed in Column A, *Amount of claim*, from line 3 of *Schedule D*..... \$ **0.00**

3. **Schedule E/F: Creditors Who Have Unsecured Claims** (Official Form 206E/F)

3a. **Total claim amounts of priority unsecured claims:**
 Copy the total claims from Part 1 from line 5a of *Schedule E/F*..... \$ **0.00**

3b. **Total amount of claims of nonpriority amount of unsecured claims:**
 Copy the total of the amount of claims from Part 2 from line 5b of *Schedule E/F*..... +\$ **2,562,377.49**

4. **Total liabilities**
 Lines 2 + 3a + 3b \$ **2,562,377.49**

Fill in this information to identify the case:

Debtor name Carhart, Inc.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF ILLINOIS

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206E/F

Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

☒ No. Go to Part 2.

☐ Yes. Go to line 2.

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

		Amount of claim	
3.1	<p>Nonpriority creditor's name and mailing address</p> <p>Beijing Kai Huai Global Trading Co 1 Cui Jing Bei Li, Suite 1908 Tongzhou District 101300 Beijing China</p> <p>Date(s) debt was incurred <u>2012 to 2014</u></p> <p>Last 4 digits of account number _____</p>	<p>As of the petition filing date, the claim is: <i>Check all that apply.</i></p> <p><input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p> <p>Basis for the claim: <u>Accounts payable for inventory imported</u></p> <p>Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>	\$158,067.11
3.2	<p>Nonpriority creditor's name and mailing address</p> <p>Carhart-Halaska International, LLC c/o O'Niel, Cannon et. al Attornys 111 East Wisconsin Ave., ste 1400 Milwaukee, WI 53202</p> <p>Date(s) debt was incurred <u>May 19, 2016</u></p> <p>Last 4 digits of account number _____</p>	<p>As of the petition filing date, the claim is: <i>Check all that apply.</i></p> <p><input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p> <p>Basis for the claim: <u>Judgment in LLC dispute</u></p> <p>Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>	\$2,000,000.00
3.3	<p>Nonpriority creditor's name and mailing address</p> <p>Hinshaw & Culbertson, LLP 222 N. LaSalle Street attn: Brian R. Zeeck Chicago, IL 60601</p> <p>Date(s) debt was incurred <u>2/29/2016</u></p> <p>Last 4 digits of account number _____</p>	<p>As of the petition filing date, the claim is: <i>Check all that apply.</i></p> <p><input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p> <p>Basis for the claim: <u>Judgment for professional fees incurred</u></p> <p>Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>	\$333,614.33
3.4	<p>Nonpriority creditor's name and mailing address</p> <p>John S. Biallas 3N918 Sunrise Lane Saint Charles, IL 60174</p> <p>Date(s) debt was incurred _____</p> <p>Last 4 digits of account number _____</p>	<p>As of the petition filing date, the claim is: <i>Check all that apply.</i></p> <p><input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed</p> <p>Basis for the claim: <u>Attorney's fees</u></p> <p>Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>	\$58,000.00

Debtor **Carhart, Inc.** Case number (if known) _____

Name

3.5 Nonpriority creditor's name and mailing address **Yantai Peng Cheng Mfg. Co**
418 Duoshan Rd.
Muping District Yantai 216400
China
 Date(s) debt was incurred _____
 Last 4 digits of account number _____

As of the petition filing date, the claim is: *Check all that apply.* **\$12,696.05**
☐ Contingent
☐ Unliquidated
☐ Disputed
 Basis for the claim: **Accounts Payable for Inventory**
 Is the claim subject to offset? ☒ No ☐ Yes

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address

On which line in Part1 or Part 2 is the related creditor (if any) listed?

Last 4 digits of account number, if any

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1

5b. Total claims from Part 2

5c. Total of Parts 1 and 2

Lines 5a + 5b = 5c.

Total of claim amounts	
5a.	\$ 0.00
5b. +	\$ 2,562,377.49
5c.	\$ 2,562,377.49

United States Bankruptcy Court
Northern District of Illinois

In re **Carhart, Inc.**

Debtor(s)

Case No.

Chapter

7

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:
- | | | |
|---|----|-------------|
| For legal services, I have agreed to accept | \$ | 0.00 |
| Prior to the filing of this statement I have received | \$ | 0.00 |
| Balance Due | \$ | 0.00 |
2. \$ **335.00** of the filing fee has been paid.
3. The source of the compensation paid to me was:
- ☐ Debtor ☒ Other (specify): **John S. Biallas, prepaid retainer by Chris E. Carhart**
4. The source of compensation to be paid to me is:
- ☒ Debtor ☐ Other (specify):
5. ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.
- ☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.
6. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:
- Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
 - Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
 - Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
 - [Other provisions as needed]
Negotiations with secured creditors to reduce to market value; exemption planning; preparation and filing of reaffirmation agreements and applications as needed; preparation and filing of motions pursuant to 11 USC 522(f)(2)(A) for avoidance of liens on household goods.
7. By agreement with the debtor(s), the above-disclosed fee does not include the following service:
Representation of the debtors in any dischargeability actions, judicial lien avoidances, relief from stay actions or any other adversary proceeding.

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

August 1, 2016

Date

/s/ John S. Biallas

John S. Biallas 00203890

Signature of Attorney

John S. Biallas, Attorney At Law

3N918 Sunrise lane

St. Charles, IL 60174

630-513-7878 Fax: 630-578-0426

jsb70@comcast.net

Name of law firm

**FOR PROFESSIONAL SERVICES RENDERED IN
A CHAPTER 7 BANKRUPTCY
(Business)**

The undersigned hereby agree(s) to retain John S. Biallas, Attorney at Law of St. Charles, Illinois as Bankruptcy Counsel for: Carhart, Inc. (hereinafter the "client") and to pay the following retainer / fee credit and costs for the filing of a Chapter 7 Bankruptcy Proceeding, with such sums due before representation in the case shall be commenced, or according to such terms and conditions agreed to by the parties in advance:

Total Fee (not including costs): 0.00
Filing cost Deposit \$ 335.00
Amount Due prior to filing: \$ 335.00

John S. Biallas agrees to represent the client in the Bankruptcy proceeding and to appear at all necessary hearings and proceedings required to accomplish this end. The owners or officers of the Client acknowledge(s) that necessary continuances of some of these proceedings may be needed to facilitate scheduling of these matters so as to resolve conflicts in scheduling.

All fees shall be subject to the ultimate approval of the Bankruptcy Court under the provisions of the United States Bankruptcy Code.

The fees and costs set out above are due in advance prior to any work being performed. Once work on the schedules to be filed in the case is completed and a draft set of schedules is produced, whether or not the case is filed, 100% of the fee shall be deemed earned by John S. Biallas. If a refund is requested prior to that event John S. Biallas shall be entitled to retain an amount equal to his actual time expended on the case, including meetings, travel time, phone calls and computer drafting at the rate of \$450.00 per hour.

If an Adversary Proceeding or other supplemental case is filed in this Bankruptcy proceeding either by or against the Client, the Client agrees to pay an additional trial retainer of \$10,000.00, payable prior to the filing of the initial pleading or the appearance required in that proceeding. All Legal services in these supplemental proceedings shall be billed at the rate of \$450.00 per hour including travel time. Invoices for these charges shall be billed to the client for prompt payment on a monthly basis. If these monthly billings are not paid, it is understood that John S. Biallas will be free to withdraw from any proceeding, with the permission of the Court.

Dated: Aug 1 2016

Agreed by Client: Carhart, Inc.

By X 

Its: President

Accepted:

X 

JOHN S. BIALLAS
3 N 918 Sunrise Lane
St. Charles, Ill 60174
630-513-7878
jsb70@comcast.net

Beijing Kai Huai Global Trading Co
1 Cui Jing Bei Li, Suite 1908
Tongzhou District 101300 Beijing
China

Carhart-Halaska International, LLC
c/o O'Niel, Cannon et. al Attornys
111 East Wisconsin Ave., ste 1400
Milwaukee, WI 53202

Chris E. Carhart
621 Seaview Ct.
P2
Marco Island, FL 34145

Chris E. Carhart
621 Seaview Ct.
P2
Marco Island, FL 34145

Chris Halaska
c/o Heather McKinnon Bessinger
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Lake Bluff, IL 60044

Halaska International, Inc.
c/o Heather McKinnon Bessinger
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Lake Bluff, IL 60044

Hinshaw & Culbertson, LLP
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attn: Brian R. Zeeck
Chicago, IL 60601

John S. Biallas
3N918 Sunrise Lane
Saint Charles, IL 60174

Yantai Peng Cheng Mfg. Co
418 Duoshan Rd.
Muping District Yantai 216400
China

**United States Bankruptcy Court
Northern District of Illinois**

In re **Carhart, Inc.**

Debtor(s)

Case No.
Chapter

7

CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the undersigned counsel for **Carhart, Inc.** in the above captioned action, certifies that the following is a (are) corporation(s), other than the debtor or a governmental unit, that directly or indirectly own(s) 10% or more of any class of the corporation's(s') equity interests, or states that there are no entities to report under FRBP 7007.1:

☒ None [*Check if applicable*]

August 1, 2016
Date

/s/ John S. Biallas

John S. Biallas 00203890

Signature of Attorney or Litigant
Counsel for **Carhart, Inc.**

John S. Biallas, Attorney At Law

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630-513-7878 Fax:630-578-0426
jsb70@comcast.net**